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SIPDIS

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STATE FOR WHA/CAR - (JOE TILGHMAN)
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SUBJECT: JAMAICA: NEW MINISTER OF TRANSPORT/WORKS RE:
AIR JAMAICA; MARITIME AND AIRFIELD DEVELOPMENT; ROADS

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Summary

1.(SBU) A seriously overburdened national road system, divestment of Air Jamaica, ambitious plans to reopen Vernon Field in Clarendon as a commercial hemispheric "Panama Canal of the air," and full realization of the potential of the maritime sector are priorities for the new Minister of Transport and Works.

Overstretched Road Network, Serious Congestion

2.(SBU) Ambassador called on recently appointed Minister of Transport and Works Michael Henry in his offices the afternoon of January 9; his Senior Director of Policy, Planning and Evaluation, Elsa May Binns, and EmbOff accompanied. Ironically, the meeting was delayed because of severe traffic congestion throughout downtown Kingston. Henry explained that feverish work to complete Kingston's new bus transportation center in time for its official opening January 11 was partially responsible for the congestion. He then readily acknowledged that Jamaica's road network as a whole was in poor condition and seriously inadequate. He claimed Japan was the only other country with as great a density of vehicles per kilometer of available road space. In response to Ambassador's inquiry, he said he "had been advised" that it was "not necessary" to raise the level of the Palisadoes, the vital sea-level road connecting Kingston's airport and Port Royal to the mainland; ongoing work to remediate erosion and reduce vulnerability to storm flooding would suffice to keep it open. End Summary.

Future of Air Jamaica

3.(SBU) In response to Ambassador's inquiry regarding the future of Air Jamaica, Henry said that, while Prime Minister (PM) Bruce Golding had shifted primary responsibility for the airline from Transport to the Ministry of Finance and Public Service (reftel A), he nevertheless was still "called on for assistance." He reiterated that the Government of Jamaica (GoJ)'s recent sale of landing slots at Heathrow to Virgin Atlantic (reftel B) had been a serious mistake, and contrasted Alitalia's recent sale of three Heathrow slots for 93 million Euros with the USD 10 million obtained by the

GoJ for its five slots. Virgin was using these newly acquired slots for flights to Barbados and the Far East, rather than to Jamaica. Henry said he had hoped for Air Jamaica to partner with airlines in the Far East and/or Africa. He then claimed that the GoJ had received recent offers to purchase Air Jamaica "from China and others." He observed that the airline's administration and management were "top-heavy;" Air Jamaica had had 32 persons managing its London route, while American Airlines needed only four to manage theirs.

AirOne

4.(SBU) In response to Ambassador's inquiry regarding the recent proposal of Peter Delany's AirOne to start a low-cost regional airline based in Kingston (reftel A), Henry replied that he was unable to comment, as AirOne's application must be considered by the Civil Aviation Authority. The GoJ must review the impact on Air Jamaica of having a non-Jamaican owned airline based here. International Civil Aviation Organization (ICAO) rules pertaining to flag carriers would have to be respected.

Vernon Field to become a "Panama Canal of the air?"

5.(SBU) Henry then confirmed that the GoJ was working on a plan to restore and reopen Vernon Field in Clarendon (built by the USG) for commercial aviation. The USG had constructed strong, durable runways, longer than those at either the Norman Manley or Montego Bay airports, which would not require much work to resume operations. The ambitious Vernon Field project would have five phases:

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- rehabilitation of the airfield as a hemispheric commercial hub;
- facilities for maintenance/repair of aircraft engines and bodies;
- installation of equipment and systems for e-commerce and e-trading;
- development as a logistics center, to include road links to the new national toll road now under construction;
- rehabilitation of the railway link to Vernon Field as part of China's project to upgrade Jamaica's rail system.

He noted that the site was close to Rocky Point and Port Esquivel, and that Kingston's nearby container terminal was growing by leaps and bounds; if efficient connections were put in place, Vernon Field eventually could become a "Panama Canal of the air."

Maritime Sector Potential

6.(SBU) Henry then turned to the importance of the Caribbean Maritime Institute (CMI) in Kingston. He hoped to interest more Jamaican students in forms four-six in pursuing maritime careers, whether as officers, technicians, or stewards. He expressed thanks to the U.S. for its support in Jamaica's recent election to Category C of the Council of the International Maritime Organization (IMO) (reftels C,D); he intended to ensure that the GoJ fully exploited the potential of the maritime sector. Henry noted that thousands of jobs were available in the cruise and cargo ship industries, in everything from port management to navigation, engineering, and hospitality. He wanted closer linkages between CMI and the national school system; this was why he had put a school principal on the CMI's Board of Directors. In response to Henry's invitation to visit CMI, Ambassador replied she would welcome the opportunity.

Anticipate Request for Training Ship

7.(SBU) Henry and Binns then asked whether the USG might be able to assist Jamaica in acquiring a training ship for the CMI. Ambassador said that, while we could make no commitments, if the GoJ would provide a more detailed proposal, the Embassy would be glad to pursue the question; Binns said she would provide additional information.

8.(SBU) Henry concluded by reconfirming his commitment to environmental protection and emissions control, both on land and at sea. He was determined to clamp down on motor vehicles which did not meet emissions standards. He also was interested in Jamaica's possible involvement in trading carbon credits.

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